



Caritas
Baby Hospital
Bethlehem



Annual Report **2023**

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Imprint

Address

Caritas Baby Hospital
Caritas Street
P.O. Box 84
Bethlehem, West Bank
Palestine

Phone

T +970 2 275 8500

F +970 2 275 8525

Email Address

pr@cbh.ps

Prepared By

Marketing and Communication Department

Pictures

Meinrad Schade: front cover, p. 5, 9, 11, 17, 21, 27, back cover
Caritas Baby Hospital Archive: p. 13, 14, 16, 23
Elias Halabi: p. 18, 19

For more information, please visit our website
www.cbh.ps

A Heartfelt Farewell

Sybille Oetliker, Managing Director of Children's Relief Bethlehem



As I approach the close of my tenure as a Managing Director of Children's Relief Bethlehem, I find myself reflecting on the last decade — a period marked by profound dedication and significant challenges.

For ten years, I was jointly responsible for ensuring both the hospital development and the proper management for the financial resources and donations. Together with the hospital management in Palestine, we were able to preserve and advance Caritas Baby Hospital to maintain its fundamental role as the only exclusively Palestinian pediatric hospital.

I must extend my deepest gratitude to the remarkable staff of Caritas Baby Hospital as well as my colleagues in Europe for all this success. Your hard work and persistent care have been the backbone of our operations. It has been an honor to know you, learn from you and work side by side with you.

I would like also to greet and appreciate our generous donors. Your support has been the fuel for a sanctuary of hope and healing for countless children and their families. Your contributions have empowered us to dream bigger and reach further, even amid the uncertainties in the region. I hope you will remain always on the side of the innocent children of Palestine.

Though my retirement comes during a very difficult time for Palestine and the Palestinians, I leave knowing that the hospital is in capable hands, and surrounded by faithful supporters. I eagerly anticipate witnessing its continued growth and success.

Thank you all for a remarkable ten years. May peace and justice prevail in Palestine and prosperity follow each of you.



Celebrating 70 Years and Looking to the Future

Issa Bandak, Chief Executive Officer



As we marked Caritas Baby Hospital's 70th anniversary in 2023, we witnessed a brutal war on the Palestinians in the Gaza Strip and excessive restrictions and violence in the West Bank. This brings us back to the true reason behind CBH's foundation: to be a beacon of hope for the marginalized, sick, and poor. Despite the pain and challenges, we remain committed to exemplifying compassion and humanity in this troubled world.

CBH 2025 - Reinventing the Future

During 2023, CBH focused on implementing strategic initiatives to improve services for young patients and promote good governance. With the help of PricewaterhouseCoopers (PwC) - Health Industries in Dubai and Zurich, we reviewed key components such as enhancing the patient journey, improving the employee experience, suggesting IT improvements, and benchmarking pediatric hospital key performance indicators (KPIs).

In parallel, team meetings were conducted to assess hospital processes, identify opportunities and challenges, and establish clear standards for improvement. These standards will be monitored and tracked through the Hospital Information System (HIS).

Our plans to expand the hospital are ongoing, and by 2025 we will open the pediatric day surgery department. This addition is crucial for our community, providing comprehensive health services to the children of Palestine under one roof. Nino Engineering and Consulting from

Ramallah, in collaboration with D&S Engineering and Universal Hospital Services (UHS) from Jordan and Royal Engineering from Ramallah, were selected to prepare the new building design. This comprehensive design will consider all structural, architectural, mechanical, and finishing works suitable for hospitals.



New Partnerships with New Prospects

Last year, we renewed our clinical partnership with the University Hospital of Tübingen to enhance the diagnosis and treatment of children with neurological abnormalities. With financial support from the German Society for International Cooperation (GIZ), this three-year cooperation will allow neuro-pediatricians at both hospitals to hold monthly case discussions and specialist lectures digitally. This partnership benefits all involved, as the Tübingen team learns about neurological disease patterns rare in Central Europe, and the Bethlehem team can send examination results to Tübingen for complex metabolic diagnostics. Additionally, a third international neuro-pediatric symposium is planned in Bethlehem within this phase.

On a local level, Caritas Baby Hospital and Palestine Polytechnic University in Hebron signed a Memorandum of Understanding in May 2023. This cooperation aims to recognize Caritas Baby Hospital as one of the teaching hospitals of Palestine Polytechnic University, serving university medical education and training. The agreement will also address national needs in developing health services and cadres in Palestine and promote CBH's role in offering clinical practice training for students at local universities.

Concluding Remarks

I extend my deepest gratitude to all the friends and supporters of CBH who stood by the Palestinian children during these adverse times. Because of your support, we can serve the young ones and protect their dignity and right to health amid the deteriorating socio-political challenges in the occupied Palestinian territories.

My personal thankfulness goes to Mrs. Sybille Oetliker the managing director of Children's Relief Bethlehem and Dr. Hiyam Marzouqa Awad the Chief Medical Officer at CBH, who will retire in summer 2024. Their passion, wisdom, and commitment have safeguarded the hospital throughout their service. I salute them and wish them the best in the new phase of their lives.

Finally, I convey my appreciation to the CBH team and our colleagues in Europe who continue to serve with dedication to the children and their families. May you remain a ray of hope to those in need.



Medical Highlights

Dr. Hiyam Marzouqa Awad, Chief Medical Officer

Reflections on 30 years of service in CBH

As I approach my retirement and reflect on my 30 years of service at Caritas Baby Hospital (CBH), I am filled with honor and pride for this remarkable journey. This experience has not only shaped most of my life but also allowed me to contribute to the improvement of healthcare for Palestinian children.

Over the past three decades, CBH has grown into a highly respected and specialized national paediatric healthcare facility. A remarkable part of this development can be attributed to the advancements in diagnostic services, which have empowered us as doctors and paediatricians to make better medical decisions and enhance treatment plans.

On a personal level, as a Palestinian woman and mother, I am deeply grateful for the opportunity to serve and lead at this esteemed institution. I am profoundly thankful for all my colleagues, both those who remain and those who have passed away. Your wisdom and companionship have greatly influenced me and promoted CBH's role within the Palestinian community.

Medical Highlights 2023

Caritas Baby Hospital (CBH) has been significantly affected by the ongoing war in Gaza, coupled with movement restrictions and the siege in the West Bank. After experiencing a gradual increase in patient numbers in 2021 and 2022 following the COVID-19 pandemic, the war has now hindered many young patients from reaching the hospital.



Overall statistics reveal a substantial decrease in outpatient numbers, with a loss of 8,000 patients, most notably during the fall season. During this time, hundreds of checkpoints imposed by the Israeli occupation disrupted normal life and access to vital facilities, including hospitals and schools.

The decline in patient numbers at CBH spans almost all subspecialized pediatric fields in 2023. However, respiratory diseases remain the most common diagnoses, accounting for 40% of all cases. Digestive system diseases are the second most prevalent, at 10%. Neurological diseases and endocrinology diseases, two consistently demanded subspecialties, make up 7% and 6% of CBH patients, respectively.

The socio-economic impact of the war has left many families unable to afford even the subsidized hospital fees. In response, the Department of Social Services was able to financially support 5% more needy children and families in 2023 than in the previous year.

Significant Numbers

Total Outpatient Visits	35,144
Total Inpatient Admissions (ICU: 260)	3,152
Average Length of Stay (Nights)	4.5
Physiotherapy Sessions	8,242
Laboratory Tests	144,811
Radiology and Special Tests	10,814
Financially Supported Patients	3,211

Advancing Pediatric Pulmonary Medicine in Palestine

Last year, Caritas Baby Hospital (CBH) spearheaded the first Pediatric Pulmonary Symposium, a major event that brought together seventy medical and paramedical professionals to showcase innovations and research on pertinent respiratory diseases and syndromes.

The symposium featured experts from Caritas Baby Hospital in Bethlehem, the University Children's Hospital in Basel, and the Children's Hospital of Eastern Switzerland in St. Gallen as the main speakers. Their insights and expertise played a crucial role in the success of this educational event.

This scientific exchange and collaboration profoundly impacted the building of local medical capacities, particularly in managing diseases prevalent in the region, such as asthma, acute bronchiolitis, and cystic fibrosis. This, in turn, ensures better healthcare outcomes for young patients.



Contributions to the Molecular Medical Microbiology

Dr. Musa Hindiyeh, the laboratory manager at Caritas Baby Hospital (CBH), was selected as an editor for the third edition of the prestigious “Molecular Medical Microbiology” (MMM-3) book. This publication is renowned as the foremost book synthesizing new developments in both molecular and clinical research. Written by experts in the field, the chapters provide cutting-edge information and clinical overviews for each major bacterial group, along with the latest updates on vaccine development, molecular technology, and diagnostic advancements.

In addition to Dr. Hindiyeh, CBH lab technologists Raed Ghneim and Randa Kattan were also among the local contributors to the book chapters, highlighting the prominent participation of Palestinian professionals in the field of medical microbiology.

For the past 20 years, CBH has been committed to advocating and performing relevant medical research in diagnostic microbiology, aiming to positively impact the health of Palestinian patients. The inclusion of CBH staff in such a distinguished publication underscores the hospital’s dedication to excellence and innovation in medical research.



Staff and Community Empowerment for Better Health Outcomes for Children

Suhair Qumsieh, Chief Nursing Officer



Nurses made substantial contributions this year, positively impacting patients’ safety, quality of care, and parents’ satisfaction. One notable area of improvement was in reducing hospital-acquired bloodstream infections (HABSI), a global health concern connected to poor clinical outcomes. The internationally accepted rate for HABSI is below 2%. Our hospital’s rate impressively decreased from 1.3 to 0.7 per 1,000 hospitalization days in 2023.

Additionally, patient and parent satisfaction, a crucial indicator of healthcare quality, witnessed notable improvements over the last three years. Inpatient ward satisfaction exceeded 95%, and Outpatient Department (OPD) satisfaction rose to 97% in 2023. These figures highlight the continuous efforts of nurses in enhancing the overall experience for patients and their families.

Empowering Staff

At CBH, staff empowerment, especially nurses who comprise more than 40% of staff, remains a top priority. Enabled nurses guarantee a more resilient healthcare system dedicated to the needs of children and their families.

Throughout the year 2023, all CBH nurses participated in training sessions on Basic Life Support (BLS) and Pediatric Advanced Life Support (PALS). Additionally, various workshops and lectures covered topics such as refreshment on Hospital Information System - HIS, safe medication administration, medical waste management, infection prevention and control, documentation and handover procedures, blood transfusion, and other pertinent subjects.

To support their mental well-being, nurses attended positive energy sessions specifically designed for front-line staff experiencing high levels of stress and emotional situations. These sessions aimed to promote mental resilience and overall well-being.

Promoting Community Health Awareness

CBH continuous education team carried out more than 300 lectures in local schools in Bethlehem area on adolescence and puberty. This activity targets teenager female and male students because this age involves significant physical, emotional, and psychological changes that can be confusing and overwhelming. Knowledge about these changes helps teenagers understand and navigate their development, promoting self-awareness and healthy body image. Proper education during this stage can foster open communication, reduce the risks of negative health outcomes, and support teenagers in developing into confident and responsible adults.



CBH team also provided 29 parents of infants and toddlers with “The Secret of Positive Interaction with Children” or “KESS” Course. The KESS Course is designed to help parents and caregivers develop effective communication and interaction skills with children. This course focuses on fostering positive relationships through understanding children’s needs, emotions, and behavior. It emphasizes techniques for active listening, empathy, setting boundaries, and encouraging positive behaviour. By improving the quality of interactions, the KESS Course aims to create a nurturing and supportive environment that promotes children’s emotional, social, and cognitive development.





Born in the Time of War

Mohammed Zaloum was born on November 2 in the city of Hebron. His life was at high risk from the start, as his mother, Enas, went into labor prematurely at just 25 weeks gestation. Mohammed weighed only 650 grams at birth.

In Hebron, no incubators were available, crucial for his survival. His parents, Odai (29) and Enas (28), already endured the heartbreak of two miscarriages after their first child, five-year-old Remin. Saving Mohammed was imperative for them.

After a tense wait for over one hour, the family learned that an incubator was available at Caritas Baby Hospital (CBH) in Bethlehem. An ambulance, accompanied by a medical team and Odai, transported Mohammed to the hospital, leaving Enas behind for further medical care.

Under normal circumstances, the journey from Hebron to Bethlehem takes about half an hour by car. However, following the outbreak of war on



October 7, numerous roadblocks, and checkpoints, imposed by the Israeli Occupation Forces in the West Bank significantly obstructed movement between the Palestinian communities, even for ambulances. The medical crew navigated alternative unpaved roads but was stopped at a checkpoint where the Israeli army denied passage and issued threats.

For Mohammed, every second counted. Timely and appropriate treatment of premature babies is essential to minimize short-term health risks and long-term developmental delays. After half an hour, a second ambulance arrived to receive the baby from the other side of the checkpoint. The medical crew carried Mohammed on foot, ensuring a manual supply of oxygen.

Upon arrival at CBH, Mohammed was in critical condition and was immediately connected to a high-parameter mechanical ventilator, providing 100% oxygen. Enas saw her newborn three days later. She described her feelings: “The moment I saw him, I touched him with my finger and he grabbed it. I knew he would become a strong boy.” Despite the movement restrictions, the parents frequently traveled from Hebron to CBH, knowing their presence would support Mohammed’s recovery.

Due to the severity of his case, Mohammed remained on the mechanical ventilator longer than expected. He was also treated for Patent Ductus Arteriosus (PDA), a heart condition where a blood vessel in a baby’s heart fails to close after birth. Gradually, he improved and transitioned to non-invasive ventilation, eventually breathing without any external assistance.

To support Mohammed’s development, a feeding therapist regularly worked with him on orofacial stimulation until he could be nursed. Enas, a positive and enlightened mother, constantly read about preterm birth and ways to help her child. She requested to do Kangaroo Care (skin-to-skin contact) with Mohammed, which improves survival and health outcomes for preterm babies. She also remained committed to breastfeeding, pumping and sending her milk to Mohammed.

After 143 days, on March 24, 2024, Mohammed was discharged with a weight of 3460 grams. Except for needing further ophthalmic treatment at

a specialized medical facility, he was in good health. Dr. Amal, the CBH neonatologist, stated, “Being able to give Mohammed a chance to live is the reason we work”.

The family expressed immense gratitude to CBH and the medical team who accompanied Mohammed throughout his treatment. Odai shared: “I am truly grateful for the exceptional care provided here. CBH prioritizes the well-being of the patient. We were always updated on Mohammed’s condition and completely involved in the treatment plan”.

Enas confirmed her commitment to continue seeking medical care for Mohammed at CBH in the future. The baby regularly visits for checkups to ensure his proper growth. Enas was also trained by the physiotherapy team on exercises to support Mohammed’s full recovery and development.

When asked about their fears and hopes for Mohammed, Enas expressed concern about the impact of the political situation on her children’s future. Living next to an illegal Israeli settlement, the family faces regular harassment and constraints in their daily lives. For Palestinians, Mohammed’s story is typical. Yet, families like the Zalloum’s are determined to provide the best possible future for their children.



Promoting CBH Safe Environment

Atallah Araj, Chief Operating Officer



As a director overseeing all support services departments, my mission is to ensure that the hospital operates efficiently and effectively contributing to the provision of safe environment and high-quality care to children. This is achieved through daily oversight of operations and seamless collaboration among all departments to meet the hospital's goals.

Smoke-Free Facility

In early 2023, Caritas Baby Hospital (CBH) was declared a smoke-free facility aligning with the World Health Organization's "Patient Safety Friendly Hospital Initiative," adopted by CBH. Prohibiting smoking also contributes to the hospital's mission to provide a safe environment for sick children.

This achievement came after a three-year no-smoking campaign aimed at overcoming local cultural challenges that normalize smoking in outdoor areas. The campaign included staff education and community awareness messages disseminated through the hospital's media platforms.

On this initiative, we were pleased to receive positive feedback from the local community, who have helped spread the word about our new policy. CBH is now recognized as a pioneer in endorsing a smoke-free culture in public places. Additionally, we are observing an increasing number of people advocating our new rule by leaving the premises whenever they need to smoke.

Promoting Hospital Operations through Staff Empowerment

In line with a recent presidential bylaw to protect health and safety in private and public institutions, CBH has established an occupational health and safety committee. The hospital has provided comprehensive

training for one engineer to become a certified health and safety specialist and for a lab technician to become a health and safety technician. These trained professionals are responsible for ensuring a safe environment and promoting safe practices among all staff across all disciplines.

The committee meets regularly to evaluate occupational risks and ensure CBH's compliance with national health and safety standards. It also organizes training for relevant staff on mitigation of occupational risks, including fire prevention and firefighting, proper storage and management of hazardous materials, and improving ergonomic practices in the workplace to prevent injuries.



Construction and Renovation Works

In preparation for the milestone project of Pediatric Day Surgery, all relevant staff participated in a study conducted by an external specialized hospital planning firm. The purpose of this study was to assess CBH's available services and areas to recommend the best location for establishing the day surgery service, ensuring the best patient care and efficient operations.

The decision was made to construct a new building with an overall area of around 2600 square meters adjacent to and connected with the current hospital building.

Additionally, the support services have conducted various renovation and upgrading projects within the hospital premises to enhance sustainability and to maintain secure environment for both staff and patients.

Financial Performance

Christine Hazboun Saca, Chief Finance Officer



Over the past year, Caritas Baby Hospital (CBH) successfully maintained local revenue at levels consistent with the previous year, despite the war's impact on the peak season for pediatric services and the decline in pilgrims' visits to CBH. These challenges negatively affected projected patient revenue and local donations in the last quarter.

This financial stability is largely attributed to maintaining a solid occupancy rate of around 60% until September 2023, as well as increased contributions from Children Relief Bethlehem (CRB), which provided crucial support for CBH's operational needs.

1. Revenue Summary

Total revenue for the year amounted to 40.95 million ILS, of this, 25.24 million ILS, was generously donated through Children's Relief Bethlehem in Switzerland and Germany and 1.85 million ILS through the Italian office. We received higher contributions through CRB compared to the year before to cope with the increase in the annual budgeted cost. The remaining 13.86 million ILS was derived from local sources, including donations, projects, patient services, and other revenue streams.

Social discounts were within the range of prior year, though we provided assistance to more cases. We had fewer losses resulting from rejected claims from the Palestinian Ministry of Health (MoH) mainly due to the delays in claim review during 2023. This will show in the financial results of 2024.

1.1 Revenue From Donations and Projects

Local donations and revenue from projects amounted to 2.36 million ILS. Although pilgrims' donations were lower than last year, we successfully raised 844 thousand ILS in fundraising revenue specifically for the new day surgery project.

1.2 Revenue from patient services

Despite lower occupancy during the fourth quarter, net revenue from patient services amounted to 11.3 million ILS, remaining steady compared to the previous year. This stability was due to the admission of long-term cases in the ICU and revised prices for the UNRWA contract at the start of 2023. During this period, more treatments were covered through referrals from the Ministry of Health (MoH), contributing to 37.29% of our local income. UNRWA (patient share and contract premium) accounted for 13.77% of the revenue. Other insurance companies contributed 3.8% of the total, while unbilled revenue made up 4.98 %, and we had 1.44% of claim discounts.

However, there was a decrease in revenue from self-paid patients due to the ongoing war's impact on patient mobility within cities and the financial strain on local communities. Consequently, the share of self-paid patients from local service revenue, net of social discounts, fell to 41.6% of service revenue compared to 55.24% in 2022.

2. Expenses Overview

Total expenses for the year amounted to 39 million ILS, reflecting an increase of 1.56 million ILS compared to the previous year. Below are some highlights regarding expenses:

2.1 Cost of Services

The cost of services for the 2023 year was 23.5 million ILS compared to 23.1 million ILS in 2022. This category encompasses all expenses directly related to patient care, including medical supplies, equipment, and salaries and benefits for healthcare staff.

2.2 General and Administrative Expenses

General and administrative expenses totaled 14.6 million ILS compared to 13.7 million ILS in 2022. These costs cover the hospital's administrative and operational functions, including salaries for administrative and operational staff, transportation, utilities, supplies, maintenance, and IT services.

2.3 Impairment of Financial Assets

We recorded an impairment of financial assets totaling 700 thousand ILS, up from 486 thousand ILS in the previous year. This impairment reflects the write-down of accounts receivable from the Ministry of Health (MoH) to their recoverable amounts, considering the current slow cash flow for this balance. This adjustment ensures that our financial statements accurately represent our financial position.

Other Factors

Other factors contributing to higher expenses included the increased cost of living, investments in maintenance for medical equipment, and upgrades in IT-related services. On a positive note, we experienced a currency variance of 601 thousand ILS as a result of exchange rate fluctuations on our financial transactions.

Future Outlook

Despite the challenges of the past year, we remain committed to our mission of providing high-quality care to children and their families. Our focus is on expanding our services, leveraging technology, and navigating the ongoing impacts of the war. By focusing on the following key areas, we aim to overcome the challenges ahead and continue delivering high-quality care.

- **Pediatric Day Surgery Building Construction**

With the successful fundraising initiatives of Children's Relief Bethlehem and Caritas Baby Hospital, along with generous donations from individual and institutional donors, the board for CRB has approved the construction of a new building for day surgery. This will be one of our main focuses for the coming year.

- **Financial Support for Treatment**

Increasing financial instability in local communities is one of the critical issues we face. In response, we remain committed to financially supporting the treatment of children who cannot afford it.

- **Cost Optimization**

We will continuously review and optimize our cost structure to ensure the efficient use of resources. This includes reallocating resources, regularly checking the market for cost-efficient alternatives.

- **Embracing Technology**

We are committed to embracing technology in managing our financial transactions and reporting through automation and system integration. This will enhance accuracy, efficiency, and transparency in our financial processes.





Independent auditor's report to the Executive Committee of Kinderhilfe Bethlehem (KHB) and the management of Caritas Baby Hospital (CBH) – Bethlehem

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Caritas Baby Hospital - Bethlehem ("the Hospital") as at 31 December 2023, and the results of its activities and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

Caritas Baby Hospital's financial statements comprise:

- The statement of financial position as at 31 December 2023;
- The statement of activities for the year then ended;
- The statement of changes in net assets for the year then ended;
- The statement of cash flows for the year then ended; and
- The notes to the financial statements, which include material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Hospital in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers, Amaar Tower, Level 7, Al-Irsal, Ramallah, Palestine
T: +970 (02) 242 0230, F: +970 (02) 242 0231, P.O Box 1317 (Ramallah), www.pwc.com/middle-east



Independent auditor's report to the Executive Committee of Kinderhilfe Bethlehem (KHB) and the management of Caritas Baby Hospital (CBH) – Bethlehem (continued)

Other information

Management is responsible for the other information. The other information comprises all the information included in the Annual Report of the Hospital for 2023 (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information, and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Annual Report of the Hospital for 2023, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Hospital's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Hospital's financial reporting process.



Independent auditor's report to the Executive Committee of Kinderhilfe Bethlehem (KHB) and the management of Caritas Baby Hospital (CBH) – Bethlehem (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Independent auditor's report to the Executive Committee of Kinderhilfe Bethlehem (KHB) and the management of Caritas Baby Hospital (CBH) – Bethlehem (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Hospital's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Hospital to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For and behalf of PricewaterhouseCoopers - Palestine
License No. 207/2012

Yacoub Alloun
License No. 106/2012

April 18, 2024

Ramallah, Palestine

Statement of Financial Position (ILS)

As at 31 December

	2023	2022
Assets		
Non-current assets		
Property, plant and equipment	27,963,661	29,235,214
Right of use assets	943,004	961,770
Total non-current assets	28,906,665	30,196,984
Current assets		
Inventory	3,864,922	2,844,574
Patient and other receivables	15,346,857	13,468,796
Prepaid expenses	595,720	354,878
Cash and cash equivalents	4,787,551	3,346,786
Total current assets	24,595,050	20,015,034
Total assets	53,501,715	50,212,018
Net assets and liabilities		
Net assets	29,012,303	26,482,876
Liabilities		
Non-current liabilities		
Reserve for severance pay	22,079,997	21,378,262
Other provisions	120,000	-
Lease liability	1,016,985	1,019,765
Total non-current liabilities	23,216,982	22,398,027
Current liabilities		
Trade and other payables	1,269,650	1,328,509
Lease liability	2,780	2,606
Total current liabilities	1,272,430	1,331,115
Total liabilities	24,489,412	23,729,142
Total net assets and liabilities	53,501,715	50,212,018

Statement of Activities (ILS)

For the years ended 31 December

	2023	2022
Patient service revenue	11,323,124	11,198,159
Contribution from home office	25,241,269	22,969,948
Other contributions	3,954,641	3,542,850
Other revenues	430,347	532,408
	40,949,381	38,243,365
Cost of services	(23,525,585)	(23,142,808)
	17,423,796	15,100,557
General & administrative expenses	(14,676,131)	(13,688,100)
Impairment of financial assets	(700,000)	(486,204)
Currency variance	601,521	573,784
Other losses	(52,053)	(76,300)
	2,597,133	1,423,737
Finance costs	(67,706)	(67,870)
Increase in net assets for the year	2,529,427	1,355,867

Statement of Changes in Net Assets (ILS)

For the years ended 31 December

	2023	2022
Net assets, beginning of year	26,482,876	25,127,009
Increase in net assets for the year	2,529,427	1,355,867
Net assets, end of year	29,012,303	26,482,876

A Word of Appreciation

The year 2023 brought new challenges, but it also presented opportunities to make a substantial difference. Thanks to your generous donations during times of adversity and hostility, we have not only been able to treat sick children but also strengthen the Palestinian community and enhance its resilience.

We are deeply grateful to all the donors of Caritas Baby Hospital who have supported us, whether directly or through the Children's Relief Bethlehem offices in Europe and CBH Foundation in the USA.

Thank you for your solidarity and support!

